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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।

Separate paging is given to this Part in order that it may be filed as a separate compilation.

LOK SABHA

The following Bill was introduced in Lok Sabha on 13th March, 2003:—

BILL NO. 18 OF 2003

A Bill further to amend the Representation of the People Act, 1951, the Companies Act, 1956 and the Income-tax Act, 1961.

BE it enacted by Parliament in the Fifty-fourth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. This Act may be called the Election and Other Related Laws (Amendment) Act, 2003. Short title.

43 of 1951.

2. After section 29A of the Representation of the People Act, 1951 (hereafter in this Chapter referred to as the principal Act), the following sections shall be inserted, namely:—

Insertion of new sections 29B and 29C.

1 of 1956.

'29B. Subject to the provisions of the Companies Act, 1956, every political party may accept any amount of contribution voluntarily offered to it by any person or company other than a Government company:

Political parties entitled to accept contribution.

49 of 1976.

Provided that no political party shall be eligible to accept any contribution from any foreign source defined under clause (e) of section 2 of the Foreign Contribution (Regulation) Act, 1976.

Explanation.—For the purposes of this section and section 29C,—

(a) "company" means a company as defined in section 3;

(b) "Government company" means a company within the meaning of section 617; and

(c) "contribution" has the meaning assigned to it under section 293A, of the Companies Act, 1956 and includes any donation or subscription offered by any person to a political party; and

(d) "person" has the meaning assigned to it under clause (3) of section 2 of the Income-tax Act, 1961, but does not include Government company, local authority and every artificial juridical person wholly or partially funded by the Government.

Declaration of
donation
received by
the political
parties.

29C. (1) The treasurer of a political party or any other person authorised by the political party in this behalf shall, in each financial year, prepare a report in respect of the following, namely:—

(a) the contribution in excess of twenty thousand rupees received by such political party from any person in that financial year;

(b) the contribution in excess of twenty thousand rupees received by such political party from companies other than Government companies in that financial year.

(2) The report under sub-section (1) shall be in such form as may be prescribed.

(3) The report for a financial year under sub-section (1) shall be submitted by the treasurer of a political party or any other person authorised by the political party in this behalf before the due date for furnishing a return of its income of that financial year under section 139 of the Income-tax Act, 1961 to the Election Commission.

43 of 1961.

(4) Where the treasurer of any political party or any other person authorised by the political party in this behalf fails to submit a report under sub-section (3), then, notwithstanding anything contained in the Income-tax Act, 1961, such political party shall not be entitled to any tax relief under that Act.'

43 of 1961.

3. After section 39 of the principal Act, the following section shall be inserted, namely:—

'39A. (1) Notwithstanding anything contained in any other law for the time being in force, the Election Commission shall, on the basis of the past performance of a recognised political party, during elections, allocate equitable sharing of time on the cable television network and other electronic media in such manner as may be prescribed to display or propagate any election matter or to address public in connection with an election.

(2) The allocation of equitable sharing of time under sub-section (1), in respect of an election, shall be made after the publication of list of contesting candidates under section 38 for the election and shall be valid till forty-eight hours before the hour fixed for poll for such election.

(3) The allocation of equitable sharing of time under sub-section (1) shall be binding on all political parties concerned.

(4) The Election Commission may, for the purposes of this section, make code of conduct for cable operators and electronic media and the cable operators and every person managing or responsible for the management of the electronic media shall abide by such code of conduct.

Insertion of
new section
39A.

Allocation of
equitable
sharing of
time.

Explanation.—For the purposes of this section,—

(a) "electronic media" includes radio and any other broadcasting media notified by the Central Government in the Official Gazette;

(b) "cable television network" and "cable operator" have the meanings respectively assigned to them under the Cable Television Networks (Regulation) Act, 1995.'.

7 of 1995.

4. In section 77 of the principal Act, in sub-section (1), for *Explanations 1* and 3, the following *Explanations* shall be substituted, namely:—

Amendment of section 77.

Explanation 1.—For the removal of doubts, it is hereby declared that—

(a) the expenditure incurred by leaders of a political party on account of travel by air or by any other means of transport for propagating programme of the political party shall not be deemed to be the expenditure in connection with the election incurred or authorised by a candidate of that political party or his election agent for the purposes of this sub-section;

(b) any expenditure incurred in respect of any arrangements made, facilities provided or any other act or thing done by any person in the service of the Government and belonging to any of the classes mentioned in clause (7) of section 123 in the discharge or purported discharge of his official duty as mentioned in the proviso to that clause shall not be deemed to be expenditure in connection with the election incurred or authorised by a candidate or by his election agent for the purposes of this sub-section.

Explanation 2.—For the purposes of clause (a) of *Explanation 1*, the expression "leaders of a political party", in respect of any election, means,—

(i) where such political party is a recognised political party, such persons not exceeding forty in number, and

(ii) where such political party is other than a recognised political party, such persons not exceeding twenty in number,

whose names have been communicated to the Election Commission and the Chief Electoral Officers of the States by the political party to be leaders for the purposes of such election, within a period of seven days from the date of the notification for such election published in the Gazette of India or Official Gazette of the State, as the case may be, under this Act:

Provided that a political party may, in the case where any of the persons referred to in clause (i) or, as the case may be, in clause (ii) dies or ceases to be a member of such political party, by further communication to the Election Commission and the Chief Electoral Officers of the States, substitute new name, during the period ending immediately before forty-eight hours ending with the hour fixed for the conclusion of the last poll for such election, for the name of such person died or ceased to be a member, for the purposes of designating the new leader in his place.'

5. After Part V of the principal Act, the following Part shall be inserted, namely:—

Insertion of new Part VA.

PART VA

FREE SUPPLY OF CERTAIN MATERIAL TO CANDIDATES OF RECOGNISED POLITICAL PARTIES

78A. (1) The Government shall, at any election to be held for the purposes of constituting the House of the People or the Legislative Assembly of a State, supply, free of cost, to the candidates of recognised political parties such number of copies of the electoral roll, as finally published under the Representation of the People Act, 1950 and such other material as may be prescribed.

Free supply of copies of electoral rolls.

(2) The material referred to in sub-section (1) shall be supplied,—

(i) subject to such conditions as may be imposed by the Central Government in consultation with the Election Commission with respect to the reduction of the maximum expenditure which may be incurred by the candidate under section 77; and

(ii) through such officers as may be specified by the Election Commission who shall act in accordance with such general or special directions as may be given by the Election Commission.

Supply of certain items to candidates, etc.

78B. (1) The Election Commission shall, at any time between the date of publication of the notification calling the election for the purposes of constituting the House of the People or the Legislative Assembly of a State and the date on which the poll is to be taken, supply or cause to be supplied, such items as the Central Government may, by order, determine in consultation with the Election Commission, to the electors in the constituencies concerned or to the candidates set up by the recognised political parties.

(2) Where the Election Commission supplies the items to the candidates under sub-section (1), the Central Government may, in consultation with the Election Commission, impose conditions with respect to the reduction of the maximum expenditure which may be incurred by the candidate under section 77.

Explanation.—For the purposes of section 39A, this Chapter and clause (hh) of sub-section (2) of section 169, the expression "recognised political party", has the meaning assigned to it in the Election Symbols (Reservation and Allotment) Order, 1968.!

Amendment of section 169.

6. In section 169 of the principal Act, in sub-section (2),—

(i) after clause (aa), the following clause shall be inserted, namely:—

"(aaa) the form of contribution report;" ;

(ii) after clause (b), the following clause shall be inserted, namely:—

"(bb) the manner of allocation of equitable sharing of time on the cable television network and other electronic media;" ;

(iii) after clause (h), the following clause shall be inserted, namely:—

"(hh) the material to be supplied by the Government to the candidates of recognised political parties at any election to be held for the purposes of constituting the House of the People or the Legislative Assembly of a State;" .

CHAPTER III

AMENDMENT OF THE COMPANIES ACT, 1956

Amendment of section 293A of Act 1 of 1956.

7. In section 293A of the Companies Act, 1956, after sub-section (5), the following *Explanation* shall be inserted, namely:—

Explanation.—For the purposes of this section, "political party" means a political party registered under section 29A of the Representation of the People Act, 1951.!

43 of 1951.

CHAPTER IV

AMENDMENTS OF THE INCOME-TAX ACT, 1961

Amendment of section 13A.

8. In section 13A of the Income-tax Act, 1961 (hereafter in this Chapter referred to as the Income-tax Act),— 43 of 1961.

(i) in the proviso, in clause (b), for the words "ten thousand rupees", the words "twenty thousand rupees" shall be substituted;

(ii) after the proviso and before the *Explanation*, the following proviso shall be inserted, namely:—

43 of 1951 "Provided further that if the treasurer of such political party or any other person authorised by that political party in this behalf fails to submit a report under sub-section (3) of section 29C of the Representation of People Act, 1951 for a financial year, no exemption under this section shall be available for that political party for such financial year.;"

(iii) for the *Explanation*, the following *Explanation* shall be substituted, namely:—

43 of 1951 'Explanation.—For the purposes of this section, "political party" means a political party registered under section 29A of the Representation of the People Act, 1951.'

9. In section 80A of the Income-tax Act, in sub-section (3), for the word, figures and letters "section 80GGA", the words, figures and letters "section 80GGA or section 80GGC" shall be substituted.

Amendment of section 80A.

10. After section 80GGA of the Income-tax Act, the following sections shall be inserted, namely:—

Insertion of new sections 80GGB and 80GGC.

'80GGB. In computing the total income of an assessee, being an Indian company, there shall be deducted any sum contributed by it, in the previous year to any political party.

Deduction in respect of contributions given by companies to political parties.

1 of 1956. 'Explanation.—For the removal of doubts, it is hereby declared that for the purposes of this section, the word "contribute", with its grammatical variation, has the meaning assigned to it under section 293A of the Companies Act, 1956.'

43 of 1951. '80GGC. In computing the total income of an assessee, being any person, except local authority and every artificial juridical person wholly or partly funded by the Government, there shall be deducted any amount of contribution made by him, in the previous year, to a political party.

Deduction in respect of contributions given by any person to political parties.

'Explanation.—For the purposes of sections 80GGB and 80GGC, "political party" means a political party registered under section 29A of the Representation of the People Act, 1951.'

STATEMENT OF OBJECTS AND REASONS

The Election and Other Related Laws (Amendment) Bill, 2002 was introduced in the Lok Sabha on the 19th March, 2002. The said Bill, *inter alia*, provided for donations to the political parties, report thereof to the Election Commission, the audit of the accounts of donation as reported, allocation of equitable sharing of time to the political parties, free supply of copies of electoral rolls to the candidates of recognised political parties, supply of identity slips of electors to candidates, amendment of section 13A of the Income-tax Act, 1961 to raise the limit of voluntary contribution in respect of which no record is required to be maintained by a political party, from ten thousand rupees to twenty thousand rupees (which is not to be liable to be included in the total income of the previous year of such political party). The Bill also provided for income-tax relief in relation to donation given by companies or individuals to the political parties. The aforesaid Bill was referred to the Department-related Parliamentary Standing Committee on Home Affairs and the Committee presented its report on the Bill to both Houses of Parliament on 18th December, 2002. Since some recommendations made by the said Standing Committee were substantive in nature, it has been considered appropriate by the Government to withdraw the said Bill and to introduce a fresh Bill on the lines recommended by the said Parliamentary Standing Committee. The salient features of the proposed Bill, *inter alia*, are as follows:—

- (a) It provides for contributions from companies and individuals to the political parties and the declaration thereof by the political parties to the Election Commission of India where the contribution received is in excess of twenty thousand rupees. Such declaration shall be submitted by the treasurer of the political party or any other person authorised by a political party in this behalf.
- (b) It contains provision for equitable sharing of time by the recognised political parties on the cable television network and other electronic media.
- (c) It substitutes *Explanations* 1 and 3 to section 77 of the Representation of the People Act, 1951 by new *Explanations* which elaborates the expression “leaders of the political parties” and contains provisions for not including the travelling expenses of such leaders in connection with the election and the expenditure incurred by the Government officials in respect of safety arrangements in the election expenditure.
- (d) It contains provisions for free supply of copies of electoral rolls by the Government to the candidates of recognised political parties. It also contains provisions for supply of such items by the Election Commission as are decided in consultation with it by the Central Government, to the electors or to the candidates set up by the recognised political parties.
- (e) It is proposed to amend section 13A of the Income-tax Act, 1961 to raise to rupees twenty thousand voluntary contribution in respect of which no record is to be maintained by the political parties. The Bill also contains provisions to provide income-tax relief in relation to the contribution given by the companies and individuals to political parties.
- (f) Certain consequential amendments have been made in these provisions to align them with other provisions of the Bill and the provisions of the Income-tax Act, 1961.

2. The Bill seeks to achieve the above objects.

ARUN JAITLEY.

FINANCIAL MEMORANDUM

Clause 3 of the Bill seeks to insert a new section 39A in the Representation of the People Act, 1951. The proposed section 39A relates to allocation of equitable sharing of time for the purposes of election campaign. The time shall be allocated in the prescribed manner on the cable television network and other electronic media. The electronic media includes radio and any other broadcasting media notified by the Central Government in the Official Gazette. This may involve costs for the Government owned or controlled media.

2. Clause 5 of the Bill seeks to insert a new Part VA in the Representation of the People Act, 1951 relating to partial State funding in kind. The proposed section 78A relates to the free supply of copies of electoral rolls, as finally published under the Representation of the People Act, 1950 including prescribed material to the candidates by the Government. The proposed section 78B provides for supply of such other items as the Central Government may, by order, determine in consultation with the Election Commission to the electors or to the candidates set up by the recognised political parties.

3. The Bill, if enacted, would involve annual recurring expenditure and a non-recurring expenditure from the Consolidated Fund of India. It is, however, not possible to calculate the estimate of the expenditure involved in the purported measures as it is not possible to anticipate with any accuracy the number of contestants in an election as well as the number of voters in any constituency in view of the continuous change in their numbers on various accounts.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 6 of the Bill seeks to amend section 169 of the Representation of the People Act, 1951 by inserting clauses (aaa), (bb) and (hh) after clauses (aa), (b) and (h) respectively in sub-section (2) thereof. The proposed clauses (aaa), (bb) and (hh) empower the Central Government to make rules to provide for the form of contribution report, the manner of allocation of equitable sharing of time on the cable television network and other electronic media and the material to be supplied by the Government to the candidates of recognised political parties at any election to be held for the purposes of constituting the House of the People or the Legislative Assembly of a State.

2. The matters, in respect of which such rules may be made, are matters of detail and may hardly be provided for in the Bill. The delegation of legislative power is, therefore, of a normal character.

G. C. MALHOTRA,
Secretary-General.